

2009 DCA Qualified Allocation Plan
Guidance on Financial Incentives for Sustainability
(30% boost; 20% developer fee)

DCA has received numerous questions regarding the level of sustainability that must be shown in order to qualify for the boost or increased developer fee incentives. The incentives for sustainability are not meant to handle funding gaps. They are meant to cover a portion of the initial costs incurred when investing in the long term minimization of utility costs through green building practices. Recent analysis of DCA projects have indicated a significant burden is placed on feasibility as a result of increased utility costs. Water costs have increased by as much as 40% in some areas. DCA believes that the incorporation of green building strategies that specifically address energy efficiency and water conservation into affordable housing is critical to maintaining affordability and preserving developer and DCA assets for the future. DCA also recognizes that the cost of some components cause concern on the development side. DCA is formulating a series of options to encourage developers to consider innovative and effective measures to reduce utility costs by increasing funding commensurate with the increased costs associated with these measures including the boost, increased developer fee and use of ARRA resources.

Projects that submit a Memorandum of Participation for the EarthCraft Communities program or provide proof of acceptance into the LEED for Neighborhood Development program are automatically eligible for either the boost or the increased developer fee contingent upon documentation of added costs. All other requests for the boost will be evaluated on a case by case basis. While DCA encourages the use of such programs as LEED for Neighborhood Development, LEED for Homes, EarthCraft Communities, and EarthCraft Multifamily, it is also important that owners and developers work closely with their architects, engineers and other professional staff to determine what works best for their particular projects. Applicants are the best source for determining the ultimate project design. Projects that pursue a particular course of action simply for the purpose of getting the “boost” may find it difficult to implement. DCA will award **UP TO** a 30% boost or 20% developer fee based on the cost of the green building strategies. Therefore, applicants should pursue these incentives to help finance creative and critical green building components. They should not pursue the same components for purposes of getting the boost.

Submittals that address this policy and document the need for a boost or increased developer fee **might** include:

- Specifications, schematic drawings, and detailed hard and soft costs that are projected in order to implement advanced and creative green building technologies such as solar hot water heater, solar electric panels, green roofs, etc.
- Energy modeling that identifies and quantifies projected energy efficiency
- Lifecycle cost analysis that shows a long-term payback for the property
- Conceptual site development plan and narrative that includes specific explanations of the sustainable features that will be included in the project.
- “Memorandum of Participation” for LEED ND or EarthCraft Communities programs accompanied by detailed hard and soft costs that are projected in order to implement the certified design over and above traditional development costs
- An executed “Program Orientation” document from EarthCraft accompanied by the recommendations from the Program Orientation, draft scoring green building communities

worksheets, and detailed hard and soft costs that are projected in order to implement the proposed community design

- Draft scoring worksheets for 3rd party green building verification programs accompanied by detailed hard and soft costs that are projected in order to implement the stated green building technologies

Accurate cost documentation is crucial for DCA to determine the amount of boost or developer fee that will be awarded. At pre-application, projects that are determined to have a high degree of sustainability will become eligible for the financial incentives (up to a 30% boost or up to a 20% developer fee) and a preliminary determination of the amount of the incentive will be made based on the cost information submitted. All determinations will be subject to review and adjustment upon receipt of the Application on May 21.